



Financial Instructions No 1 of 2019 Capital Project Process Manual

[Issued in accordance with Section 22A of the Finance and Audit Act]

MINISTRY OF FINANCE, ECONOMIC PLANNING AND DEVELOPMENT

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List of Abbreviations

BEC	Bid Evaluation Committee
BOT	Build Operate Transfer
CPPM	Capital Project Process Manual
EIA	Environment Impact Assessment
MOFEPD	Ministry of Finance, Economic Planning and Development
PDF	Project Data Form
PER	Preliminary Environment Report
PIMA	Project Implementation and Monitoring Agency
PIMU	Public Investment Management Unit
PPF	Project Profile Form
PPMU	Project Planning and Monitoring Unit
PPP	Public Private Partnership
PRF	Project Request Form
PSIP	Public Sector Investment Programme
PV	Project Value
SMST	Sector Ministry Support Team
SOE	State Owned Enterprise
TOR	Terms of Reference

1. Introduction

- 1.1 This Capital Project Process Manual (CPPM) is issued in accordance with Section 22A of the Finance and Audit Act as amended by the Finance (Miscellaneous Provisions) Act 2017.
- 1.2 Every Public Officer should, in the performance of his/her duties, comply with the instructions specified in the CPPM, and any instruction as may be issued by MOFEPD in that respect.
- 1.3 The CPPM: -
- (a) establishes the **process** to be followed by a public body¹ to seek approval for initiating/ implementing capital projects;
 - (b) provides for the development of a pipeline of projects for the public sector (Public Sector Investment Programme); and
 - (c) provides for the setting up of the Public Investment Management Unit (PIMU) at MOFEPD for the **appraisal** of project proposals and for the monitoring and evaluation of capital projects.
- 1.4 Every public body shall ensure the technical soundness, viability and value for money aspects of a project.
- 1.5 The Parent Ministry shall examine the project proposal and, after satisfaction of the technical soundness, viability and value for money aspects of the project, shall recommend same to MOFEPD.
- 1.6 For the purpose of the CPPM –
- “Parent Ministry” means the Ministry under the aegis of which the Departments, Divisions, Agencies and Statutory Bodies operate.

2. Capital Project

- 2.1 **Capital Project** refers to a **project** that is undertaken by a public body to -
- (a) acquire a new asset – through purchase, construction or otherwise;
 - (b) upgrade or improve an existing asset – through renovation or expansion;
 - (c) replace an existing asset; or
 - (d) implement a scheme or programme aimed at acquiring, upgrading or replacing an asset or group of assets.

¹ Public body has the same meaning as in the Public Procurement Act

- 2.2 For the purposes of *section 2.1* above, asset includes -
- (a) immovable assets such as land, building, infrastructure (roads, bridges, etc.), utility facilities (energy, water, sewerage, drains, etc.) and other capital facilities/amenities;
 - (b) machinery and equipment;
 - (c) intangible assets, such as software; or
 - (d) a combination of the above

that are required by the public body to provide services or goods, in furtherance of its objectives.

- 2.3 A capital project may include more than one component, each component having a separate project value. Capital projects usually entail large non-recurring expenditures during their implementation which may involve multi-year funding. *Annex I* provides an overview of types of capital projects.
- 2.4 A capital project always has direct implications for future operating budgets. Therefore, before deciding to embark on a capital project, a public body must properly assess the recurrent cost implications, thus the financial sustainability of implementing the project.
- 2.5 Capital projects may be funded from Government-owned resources, grants, or loans from foreign institutions and/or by the private sector or other modes of financing.

3. Project Value

- 3.1 “Project Value” in relation to a capital project refers to the total cost for implementing and executing a project based on a feasibility study (where required), defined scope of works, detailed design, and detailed bill of quantities (BOQ).
- 3.2 Subject to Section 4 and 5, approved project value refers to a project value which has been sanctioned by -
- (a) Cabinet;
 - (b) Ministry of Finance, Economic Planning and Development; or
 - (c) the Board of a statutory body in respect of a project which is fully financed by such statutory body.

4. Approval for implementation of capital projects

4.1 This *section* sets out the process to be followed by a public body to seek approval prior to implementation in respect of the following categories of capital projects -

- A. Project Value **below Rs 25 Million**;
- B. Project Value of **at least Rs 25 Million and below Rs 100 Million**; and
- C. Project Value of **at least Rs 100 Million**.

Category A- Project Value below Rs 25 Million

4.2 The public body submits its Project Request Form² (as per *Annex II*) to MOFEPD directly or, where applicable, through its Parent Ministry.

4.3 If considered favourably by MOFEPD -

- (a) the project is included in the pipeline of projects of the Public Sector Investment Programme (PSIP); and
- (b) financial clearance is given to the public body to proceed with project preparation³ and implementation **subject to budget provisioning** (*refer to paragraph 4.15*).

Category B- Project Value of at least Rs 25 Million and below Rs 100 Million

Stage I

4.4 The public body submits its Project Request Form (as per *Annex II*), prepared in consultation with the Project Planning and Monitoring Unit (PPMU) where applicable (*refer to section 6*), to MOFEPD directly or through its Parent Ministry.

4.5 If considered favourably by MOFEPD, financial clearance is given to the public body to seek Cabinet approval to proceed with:

- (i) project preparation³ in the first stage and,
- (ii) execution/implementation of the project when budgetary provision is made.

4.6 On Cabinet approval, the public body informs MOFEPD and proceeds with the project preparation. MOFEPD includes the project in the pipeline of projects in the PSIP (*Refer to section 12*). The preliminary cost estimate as submitted in the PRF is assigned to the project.

² For projects like purchase of vehicles, IT equipment, furniture & fittings etc., costing not more than Rs 5 Million, the Public Body may submit a written application supported by a project brief instead of a PRF.

³ Feasibility studies (if applicable), project specifications, land identification/acquisition & building permits/clearances, soil tests, cost estimate, preparation of detailed design and bidding documents, etc as appropriate.

Stage II

- 4.7 After the completion of project preparation, the public body submits to MOFEPD the following detailed information for project appraisal -
- Gantt Chart as per Annex IV
 - Cost Estimates as per guidelines at Annex V
 - Risk Analysis as per guidelines at Annex VI
 - Expected Environmental Impact as per guidelines at Annex VII
- 4.8 If considered favourably and provided there is no significant change in the project scope and/or value, MOFEPD provides financial clearance for the public body to launch bids and implementation of the project **subject to budget provisioning** (refer to paragraph 4.15).
- 4.8A Where there is a significant change in nature and/or scope that may lead to a significant change in project cost, MOFEPD may request the public body to seek Cabinet approval on the revised nature and/or scope of the project. Where Cabinet approval is obtained, MOFEPD shall provide financial clearance for the public body to launch bids and implementation of the project **subject to budget provisioning** (refer to paragraph 4.15).

Category C- Project Value of at least Rs 100 Million

Stage I

- 4.9 Public body submits its Project Data Form (PDF) to MOFEPD as per **Annex VIII**.
- 4.10 If considered favourably, MOFEPD provides financial clearance to enable the public body to seek Cabinet approval to proceed with the appropriate study of the project (feasibility, needs analysis, cost-benefit analysis, etc.).
- 4.11 The public body notifies MOFEPD of Cabinet decision and, where Cabinet approval is obtained, the public body proceeds with the study.

Stage II

- 4.12 After the study and, if conclusive, the public body submits to MOFEPD a PRF, prepared in consultation with the PPMU where applicable (refer to section 6), as per **Annex II** for project appraisal. The following additional information should also be submitted -
- Gantt Chart as per Annex IV
 - Cost Estimates as per guidelines at Annex V
 - Risk Analysis as per guidelines at Annex VI
 - Expected Environment Impact as per guidelines at Annex VII

- Feasibility Study (as per guidelines at **Annex IX**) and/or report of any other studies.
- 4.13 If considered favourably, MOFEPD will provide its financial clearance for the public body to seek Cabinet approval to proceed with project preparation and subsequent execution/implementation subject to Budget provisioning.
- 4.14 Once Cabinet approval is obtained –
- (a) MOFEPD includes the project in the pipeline of projects in the PSIP.
 - (b) the public body may start preparation of detailed design and bidding documents and proceed with land acquisition as required.
 - (c) Launching of bids by public body and implementation of project will, however, be **subject to budget provisioning** (refer to paragraph 4.15).
- 4.14A Where there is a significant change in nature and/or scope that may lead to a significant change in project cost, MOFEPD may request the public body to seek Cabinet approval on the revised nature and/or scope of the project. Where Cabinet approval is obtained, MOFEPD shall provide financial clearance for the public body to launch bids and implementation of the project **subject to budget provisioning** (refer to paragraph 4.15).

Provisioning for Implementation of capital projects

- 4.15 Provisioning for implementation of projects approved during the course of a financial year (other than project preparation) will be made in subsequent budgets. However, MOFEPD may provide budgetary resources in the course of a current financial year through reallocation/virement depending on policy decision and fiscal space.

5. Projects implemented by Statutory Bodies/ State-Owned-Enterprises

- 5.1 Statutory Bodies/State-Owned-Enterprises (SOEs) should follow the process prescribed above (*section 4*), as applicable, for projects funded fully or partly through the National Budget either by way of a loan, equity or grant.
- 5.2 For projects which are not funded through the National Budget and estimated to cost at least Rs 25 Million, Statutory Bodies/SOEs shall obtain prior approval of their respective Board and thereafter seek financial clearance from MOFEPD. Before giving such approval at their level, the Board should ensure the strategic relevance and make such detailed assessment of the project proposal as may be required. If considered favourably, MOFEPD will assign a PSIP code for these projects. Accordingly, while applying for the PSIP Code, Statutory Bodies/SOEs should submit to MOFEPD the Project Profile Form (PPF) as per Annex III.

6. Project Planning and Monitoring Unit

- 6.1 Project Planning and Monitoring Unit (PPMU) will be set up in Ministries/Departments listed at *Annex X* and will be responsible, *inter-alia*, to:
- (a) prepare draft Terms of Reference (TOR) for hiring consultants;
 - (b) assist in project preparation to be submitted to MOFEPD;
 - (c) assist in the preparation of all relevant documents in respect of the procurement process;
 - (d) participate in the evaluation of bids; and
 - (e) manage and monitor project implementation.

7. Procurement Process

- 7.1 Public bodies are required to follow the provisions of the Public Procurement Act and the related Regulations, Circulars & Guidelines issued by the PPO, the relevant Financial Instructions issued related to procurement, and where appropriate, the provision of other relevant legislations with a view to ensuring the conduct of their procurement are carried out in a timely and transparent manner whilst obtaining quality and best value for money.
- 7.2 A public body may include in the terms of reference for hiring the services of a consultant his/her participation in the Bid Evaluation Committee (BEC).

8. Monitoring of Expenditure Flows

- 8.1 For monitoring purposes, a public body should report to MOFEPD on implementation progress and provide updated cash flow forecasts as follows:
- (a) on a quarterly basis for projects estimated to cost below Rs 25 Million; or
 - (b) on a quarterly basis for projects estimated to cost at least Rs 25 Million and below Rs 100 Million using the PPF at *Annex III*; or
 - (c) on a monthly basis for projects estimated to cost at least Rs 100 Million using the PPF at *Annex III*.

9. Change in Approved Project Value

A. Increase in PV - Pre-Tender stage and award stage

- 9.1 Where an approved project value needs to be increased as a result of the outcome of further study/project preparation or the contract value being higher, the public body should follow the procedures outlined below:

Approved Project Value	Increase in Approved Project Value	Authority to Increase approved project value
Category A: PV < Rs 25 M	< 15%	Line Ministry
	≥ 15%	MOFEPD (refer to Note 1)
Category B: Rs 25M ≤ PV < Rs 100M	< 15% or Rs 5M, whichever the lower	Line Ministry
	≥ 15% and up to a maximum of Rs 25M	MOFEPD (refer to Note 2)
	> Rs 25 M	Clearance of MOFEPD & Cabinet approval
Category C: PV ≥ Rs 100 M	< 15% or up to Rs 15M, whichever the lower	Line Ministry
	≥ 15% and up to a maximum of Rs 50 M	MOFEPD (refer to Note 2)
	>Rs 50 M	Clearance of MOFEPD & Cabinet approval

Note 1: If any change in pre-tender PV lead to a revised PV of more than Rs 30 M, public body should follow the process described for Category B

Note 2: Where there is a significant change in the scope and/or PV of a project, MOFEPD may request Public Body to seek approval of Cabinet.

B. Increase in PV - Post-Award stage

- 9.2 Public Bodies should implement their projects within the contract value and as per the conditions specified in the contract.
- 9.3 Where there is an increase in contract value (e.g. change in scope of works, contractual obligations, etc.), a public body should comply with the provisions of the Public Procurement Act. The public body should also seek financial clearance from MOFEPD for any increase in contract value. Where appropriate, MOFEPD may request a public body to seek approval of Cabinet.

Decrease in PV

- 9.4 Where there is a decrease in PV, a public body should inform MOFEPD. However, where there is a significant change in the scope of a project, the Public Body should seek the approval of Cabinet.

Virement

- 9.5 Where an increase in a Project Value requires a virement to the relevant item of expenditure, such virement may be effected in accordance with Financial Instructions No 1 of 2015.

Reporting of changes in PV

- 9.6 Line Ministry/Public Body should invariably notify MOFEPD of any change in an approved project value.

10. The Project Implementation and Monitoring Agency (PIMA)

- 10.1 As announced in the Budget Speech 2021-2022, a Project Implementation and Monitoring Agency (PIMA) has been set up as a Unit under the Ministry of Finance, Economic Planning and Development to assist and advise in the implementation of projects/programmes and budgetary measures.

Roles and Functions

- 10.2 The Agency will:

- (a) assist and advise Ministries and Departments in the implementation of projects/programmes and budgetary measures;
- (b) assist Ministries and Departments to address any impediments in the implementation process;

- (c) advise Ministries and Departments on capital projects to ensure smooth implementation, adequate contract management and timely project closures;
- (d) compile and analyse information on status of implementation submitted by various public bodies for monitoring purposes;
- (e) coordinate with implementing public bodies and propose reforms to improve the implementation process; and
- (f) submit its findings and make recommendations to a Coordination Committee under the chairmanship of the Prime Minister.

Reporting Line

10.3 After analysis of the submissions by the public bodies, PIMA will on a monthly basis:

- (a) submit Consolidated Progress Report to a Project Implementation and Monitoring Committee (PIMA Committee) under the chairmanship of the Financial Secretary;
- (b) provide updates to the Minister responsible for the subject of finance; and
- (c) submit Consolidated Progress Report on progress of implementation to a Coordination Committee under the chairmanship of the Prime Minister.

10.4 The monthly Consolidated Progress Report will include:

- (a) key milestones and current status of implementation of projects/programmes and budgetary measures;
- (b) any impediments that have been addressed in consultation with the implementing bodies;
- (c) any unresolved issues and highlighting the key reasons thereof; and
- (d) any proposed reforms and other remedial actions to improve the implementation process.

Submission by Ministries/Departments

10.5 Accounting Officers should submit, by latest 15th of each month, the following information to PIMA:

- (a) progress reports on implementation of budget measures, projects and programmes;
- (b) complete and accurate information for monitoring purposes;

(c) any impediments and reasons for delays (if any); and

(d) proposed remedial actions to tackle any impediments.

10.6 Accounting Officers should designate a public officer, not below the grade of a Deputy Permanent Secretary, to report to the Agency on implementation status of budget measures, projects and programmes under their purview as required by PIMA.

11. The Public Investment Management Unit (PIMU)

11.1 For the purpose of ensuring value for money of capital projects, a Public Investment Management Unit has been set up in MOFEPD and shall be responsible, *inter alia*, to:

- (a) **carry out**, together with relevant SMST, appraisal of capital project proposals above Rs 25 Million and ascertain whether the most practical approach, including financing options, has been chosen to achieve the project objectives;
- (b) carry out **Monitoring and Evaluation** (M&E) of projects above Rs 100 Million on the basis of PPF or any other selected project to track any significant deviation(s) from plan (project completion report);
- (c) analyse the reasons for any deviation(s) so as to **improve project planning and management** for future capital projects.; and
- (d) ensure that PSIP as outlined in *section 12* below is regularly updated.

11.2 The PIMU will be composed of a multi-skilled team of professionals in relevant fields including architecture, engineering, quantity surveying, economics, accountancy, environment, physical planning, and ICT amongst others.

11.3 It may also co-opt representatives from other Public Bodies, including officers from Ministry of Public Infrastructure & Land Transport, in discharging its functions. The PIMU may also have recourse to any other relevant expertise as may be required, even from outside the public sector.

11.4 Public Bodies should ensure that relevant officer(s), conversant with the project under examination by MOFEPD (PIMU), is/are designated to provide necessary clarifications and/or justifications in order to enable an effective project appraisal.

12. The Public Sector Investment Programme (PSIP)

12.1 The PSIP is a database of public sector capital projects, kept at the level of MOFEPD, which is expected to be implemented over a 5-year period. It enumerates the Government investment plan for the next 5 years, including funded projects and those in the pipeline.

- 12.2 After a capital project has been appraised and favourably considered by MOFEPD and Cabinet approval obtained, the project is included in the pipeline of projects of the PSIP. This pipeline of projects constitutes projects already prepared but awaiting appropriate financing for execution/implementation.
- 12.3 It also provides a coherent public sector investment plan that aligns Government economic vision with sector policies, corresponding infrastructure needs, and the required funding arrangements.
- 12.4 It is a useful document to policymakers, development partners, line Ministries, Public Enterprises and Private Partners as it provides information about the potential areas of investment opportunities.
- 12.5 Capital projects included in the PSIP should be prioritised by Public Bodies based on their state of preparedness, affordability, and financing secured.

13. Flowchart - Appraisal and Approval Process

- 13.1 The step by step process for project appraisal and approval is illustrated in the flowchart at *Annex XI*.

* * * * *

Annexes

Types of Capital Project

1. Capital projects may be classified under four types, namely: **acquisition, construction, improvement and equipment**.
2. **Acquisition** includes purchase of land, equipment, machinery, software, property, vehicle and vessel. The acquisition of land should include any improvement works, such as demolition of buildings or levelling, etc. The cost of an acquisition should include all expenditure, such as site preparation, transportation and delivery, installation and related professional fees, amongst others, incurred to bring the asset in a useable state for its planned purpose. All acquisitions are subject to the capital project proposal process including capital leases.
3. **Construction** refers to site preparation for, and construction of, entire new structures and/or significant extension to existing structures, and/or complete replacement of an existing structure, including all machinery, equipment, software, furniture and necessary assets to make the structure ready to serve its intended purpose.
4. **Improvement** is defined as all works, upgrading and acquisition, necessary to maintain or enhance the usefulness of an existing facility or structure.
5. Improvements may include:
 - alteration of interior space, arrangements or other physical characteristics, such as utilities or fixed equipment installed and made a part of a facility or structure, so that the facility/structure may be more effectively used for its present designated purpose or for a new purpose.
 - renovation, enhancement, modernisation or major reparation to restore some or all parts of a facility or structure, mechanical system or utility system, which will increase the asset's productivity and/or its useful economic life. This also includes the reprocessing or replacement of parts or materials that have been deteriorated by the passage of time or "wear and tear".
 - relocation of a facility or structure from one site to another, either by moving it intact or by disassembling it and subsequently reassembling it.
6. **Equipment** is a tangible asset, usually of a long-term nature, used in an operation or activity or which forms an integral part of another facility. Typical examples are computers, CCTV cameras, computer hardware, servers, furniture and fittings, etc.
7. All equipment needs which are associated with projects defined as new construction or improvements should be included in the cost estimates for these projects.
8. Replacement of obsolete/damaged equipment is considered under the equipment category. However, normal repairs or maintenance works, which are relatively small, are not considered as equipment for the purpose of this manual.

Project Request Form⁴ (PRF)

1. General Project Information:

1.1 Project Title:

.....

1.2 Responsible Ministry/Department/Organization:

.....

1.3 Implementing Agency:

.....

1.4 Estimated Project Value (inclusive of taxes):

.....

1.5 Provide a breakdown of the different cost components.

.....

.....

1.6 Provide an estimated operation and maintenance cost the project will require.

.....

.....

1.7 Provide the different financing options considered for the project.

.....

.....

1.8 Project location, District and Constituency No:

.....

⁴ Note: This form should be filled-in electronically and submitted in soft and duly signed hard copies.

2. Detailed Project Description:

2.1 State the need and objectives of the project:

What is the current problem?

Who will be the beneficiaries? Please provide an estimated number.

How the project will address the problem identified and/or will improve service delivery?

.....
.....
.....
.....

2.2 Detailed Project Description (including scope of works):

.....
.....

2.3 State how the project would contribute to the sector strategy and impact positively on the economy:

.....
.....

2.4 Please provide details of any alternative option(s) which have been considered (e.g., rent, upgrading, extension, sharing with other Public Bodies, etc.), and justify the selected option.

.....
.....
.....
.....

2.5 What would be the consequences of deferring the project?

.....
.....
.....
.....

2.6 Please attach any report of studies carried out with respect to the project proposal:

(E.g. preliminary study, feasibility study, need analysis, cost benefit analysis, survey report)

.....

	Y	N	N/A
2.7 Does the project require an EIA/PER?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(Attach a copy of EIA/PER clearance if applicable)

3. SITE INFORMATION (Not applicable for IT project):

3.1 Extent of land required (in m²):

Of which, buildings: m²

3.2 Has the required land already been:	Y	N	N/A
(i) Identified	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(ii) acquired	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(iii) vested	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3.2.1 Is the land state-owned?

.....

3.3 Site features: Flat Hilly Marshy Others

3.4 Are the following facilities available?	Y	N	N/A
(i) Roads	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(ii) Electricity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(iii) Water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(iv) Wastewater Disposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3.4.1 In case facilities are not available, have the relevant authorities been consulted? Please state outcome of consultation.

.....

3.5 Have geotechnical tests been carried out if required? **Y** **N** **N/A**
If yes, a copy to be submitted

3.6 Any other site information which may hamper implementation of the project:

.....

4. INFORMATION FOR IT AND RELATED PROJECTS

4.1 Please state whether the cloud server and other infrastructure of the Government Online Centre (GOC) would be used **Y** **N** **N/A**

4.2 Transaction Statistics

Number of Transactions (per year)	
Time to process a transaction (Presently)	
Time to process transaction after implementation of the system	
Number of processes (Presently)	
Number of processes after implementation of the system	

5. PROJECT RISKS

5.1 What are the other possible risks associated with the project:

.....

.....

.....

6. PROJECT TIME SCHEDULE:

6.1 Project duration: months

6.2 Expected commencement date:

6.3 Expected completion date:

6.4 Give details in the Table below on the important project stages or milestones:

	Duration (months)	Expected start date	Expected completion date	Remarks
Feasibility Study				
Clearances and Approvals				
Design				
Tender				
Construction				
Interiors & Furniture				
<i>(insert or delete any other stages as applicable)</i>				

7. PROJECT IMPLEMENTATION

7.1 Mechanisms to be put in place for effective implementation, monitoring and supervision of project activities/phases:

.....
.....
.....

8. PRIOR CONSULTATION WITH RELEVANT STAKEHOLDERS

8.1 Have concerned authorities/stakeholders been consulted in the conceptualization of the project?

.....
.....
.....
.....

9. OTHER RELEVANT INFORMATION

.....
.....
.....
.....

10. CONTACT DETAILS FOR ADDITIONAL INFORMATION:

(The designated person(s) should be fully conversant with the project and be available to provide further clarifications as and when required)

Name:

Title/Designation:

Telephone No.: **Fax No.:**

Mobile: **Email:**

10.1 PRF certified by:

	Officer in charge of the Implementing Agency	Supervising Officer of the Parent Ministry
Full Name		
Designation		
Signature		
Date		

Instructions to fill the Project Request Form (PRF)

A. General Information

1. Information required in all sections and sub-sections has to be provided.
2. Information not applicable for a project may be filled as NA.
3. The PRF, duly filled and signed by the Supervising Officer of the Ministry, should be submitted to MOFEPD in soft and hard copies.

B. Instructions for filling specific sections

Sections	Instructions
1.1	Give the Project Title along with location, e.g., Construction of a State Secondary School (F.1-V) -Girls at Bambous.
1.2	Name of the Ministry/Department/Organization responsible for the project.
1.3	Name of Implementing Agency, that is, the body which is executing the project on behalf of the Applicant. The Applicant could also be the Implementing Agency.
1.4	State the total estimated project cost (Rs Million) inclusive of all taxes.
1.5	Provide a breakdown of the different cost components like land, buildings, equipment, logistics, other structures, etc...
1.6	Provide an estimated operation and maintenance cost the project is expected to require.
1.7	Provide the different financing options, such as external financing, BOT, etc, considered for the project.
1.8	Give the exact location where the project will be implemented
2.1	The rationale of the project should be clearly defined. Explain how the project will cater for the need(s) or will resolve specific problem(s) of the Ministry/ Department/Organization and the specific objectives of the Project. Also explain how it will improve service delivery.
2.2	A detailed/comprehensive description of the project is required. The scope of works, technical specifications, etc should be clearly determined.
2.3	Explain how the project is in line with the sector strategy and its impact on the economy.
2.4	Indication should be given about different alternatives explored. Give reasons why this option has been preferred to the alternatives.
2.5	Indicate what could be the possible consequence(s) of deferring the project.
2.6	Attached any report(s) related to studies done for this project.
2.7	State whether the project requires an EIA/PER. (Note: EIA: Environment Impact Assessment. PER: Preliminary Environment Report).

Sections	Instructions
3.1	The extent of land (m ²) required for the project should be stated. This should include all components of the project such as buildings, parking, Green spaces, etc.,.
3.2	State whether the land has already been acquired; otherwise indicate the present situation and actions initiated so far regarding land acquisition. State whether the land is state-owned.
3.3	A description of the topography and features of site is required.
3.4	Availability of other essential facilities such as access to roads, electricity, water, wastewater disposal, etc, should be indicated. Explain whether relevant authorities have been consulted and its outcome in case these facilities are not available.
3.5	State whether geotechnical tests have been carried out. If so, a copy of the report should be submitted.
3.6	Additional information relating to site, for example, proximity to motorway, bus station, neighbourhood etc, which may affect the implementation of the project, should be provided.
4.1	Indicate whether the cloud server and other infrastructure of the GOC would be required/used by the proposed Project.
4.2	Justify the project proposal by indicating the number of transactions the new project/system will handle per year. Also provide statistics on the number of processes and the time to process a transaction both presently and after the implementation of the new system.
5.1	State the main possible risks associated with the project.
6.1	State the duration of the project in terms of months.
6.2	Give indication about the date the project would start. For infrastructure projects, the start of construction works date should be provided.
6.3	The expected completion date should be stated. In the case of acquisition of machinery and equipment, the delivery date should be provided.
6.4	Detail out the important stages and milestones.
7.1	In view of ensuring proper project management, details are to be provided with regard to implementation, monitoring and supervision of different activities of the project.
8.1	Provide any additional information that need to be considered for the project such as for projects cutting across sectors, whether all relevant stakeholders have been contacted.
9	Provide any other useful information.
10, 10.1	A contact person conversant with the project should be designated by the Ministry/Department/Organization to ensure better communication and follow up.

Project Profile Form (PPF)

PROJECT NAME												
IMPLEMENTING AGENCY											PSIP Code	
PROJECT DESCRIPTION												
START / EXPECTED START DATE							EXPECTED COMPLETION DATE					
CAPITAL COST	Initial Estimates	Rs		M	Revised Estimates	Rs		M				
	Foreign component	USD/EUR		M	Foreign component	USD/EUR		M				
	Local Component	Rs		M	Local Component	Rs		M				
FINANCING	Local sources			Rs M	Foreign sources			Rs M	Total (Local & Foreign)			
	• Grant from Government				• Grant				-			
	• Loan from Government				• Loan				-			
	• Own Funds								-			
	• Equity from Government / Others (.....)											
	Loans from Financing Institutions											
	• Others (e.g. Redeemable preference shares,...)				• Others: (e.g. Redeemable preference shares,...)				-			
	(i)				(i)				-			
(ii)				(ii)				-				
Total -Local			-	Total - Foreign			-	-				
PLANNED PROJECT TIMELINE	Details		Date		Implementation/Construction Mile Stone							
	Feasibility Study completed				SN	Milestone			Date			
	Detailed Design completed				1							
	Bidding Documents prepared				2							
	Tender (works) Launch Date				3							
	Bids Evaluation completed				4							
	Contract Award Date				5							
	Implementation/Construction Start date				6							
Project completion date				7								
End of Defects Liability Period				8								
PROJECTED EXPENDITURE BREAKDOWN												
COMPONENTS	Cum. Expd up to end of previous FY	Provision for current FY	Provision/Revised Estimates for current FY					Projections (Rs M)				Total (Rs M)
			Q1	Q2	Q3	Q4	Total	Current FY +1	Current FY +2	Current FY +3	Current FY +4	
Consultancy Services - Feasibility												
Consultancy Services - Design & Supervision												
Construction Works												
Machinery & Equipment												
Furniture & Fittings												
Others												
Total	-	-	-	-	-	-	-	-	-	-	-	-
Remarks												

Project Monitoring							
PROJECT NAME						PSIP Code	-
Monitoring Date	<i>*Insert date</i>	<i>*Insert date</i>	<i>*Insert date</i>	<i>*Insert date</i>	<i>*Insert date</i>	<i>*Insert date</i>	
Actual Expenditure (Rs M)							
Value of works done, but payment not yet done (Rs M)							
Value of contracts already awarded but works not yet done (Rs M)							
Amount already committed (Rs M)	0	0	0	0	0	0	
Current Project Status	<i>* Select from List</i>	<i>* Select from List</i>	<i>* Select from List</i>	<i>* Select from List</i>	<i>* Select from List</i>	<i>* Select from List</i>	
Expected Expenditure up to next quarter (Rs M)							
Revised Estimates current FY (Rs M)							
% of Works completed							
Is project being delayed?							
Reason(s) for delay in project							
Actions taken to remove bottlenecks							
Possible consequences of project delay							
NEW PROJECT TIMELINE (due to delay)	Details		Date	Implementation/Construction Mile Stone			
	Feasibility Study completed			SN	Milestone	Date	
	Detailed Design completed			1	0		
	Bidding Documents prepared			2	0		
	Tender (works) Launch Date			3	0		
	Bids Evaluation completed			4	0		
	Contract Award Date			5	0		
	Implementation/Construction Start date			6	0		
Project completion date			7	0			
End of Defects Liability Period			8	0			
Remarks							

Guidelines for Cost Estimates

1. The **detailed costs information** should include the following:
 - a) Costs for preparing the project, such as consultancy fees for studies, design, preparation of tender documents, etc.
 - b) Costs for supervision; and
 - c) Costs for acquisition of assets and/or construction of facilities;

2. The detailed costs of the project should specify the following, both in terms of total costs and the half yearly breakdown of the costs, over the preparation and implementation period of the project:-
 - ❖ Costs of site acquisition (if any), and/or preparation. This should include any improvement/modification works such as demolition of buildings, levelling etc ;
 - ❖ Preparation costs (studies, design, tender documents);
 - ❖ Project Management/Supervision costs;
 - ❖ Construction costs
 - Preliminary & general costs
 - Detailed costing for construction of buildings, providing the metric used, e.g. cost per square ft./metre.
 - Detailed costing for civil works (e.g. excavation and resurfacing, laying of drains, levelling of grounds, etc.) stated in total civil works for the project and the used, e.g. cost per square ft./metre or per kilometre.
 - Details of road construction stated in total road construction works for the project and the metric used, e.g. cost per kilometre.
 - ❖ Machinery & Equipment;
 - ❖ Costs of utilities (electricity, water, wastewater);
 - ❖ Offsite road infrastructure;
 - ❖ Consultancy fees for supervision;
 - ❖ Contingencies, if any; and
 - ❖ Any other related cost to make the project operational.

3. Bills of quantities.

4. The operating/recurrent cost of the project. This includes staff costs, operation and maintenance cost etc over the project life cycle.

5. All costs should be inclusive of all taxes.

6. The basis of costing should be provided. For e.g., whether the basis used was figures from published statistics, project catalogues, past project reference, etc. If the information used for costing is for past years, the cost should be adjusted for inflation.

7. In order to meet the cost estimates of the project, indicate (where applicable) the alternative financing options, such as Public Private Partnership (PPP), Build Operate Transfer (BOT), user charges or any other cost recovery measures, which have been considered. Please give full justifications for your choice.

8. The revenue/savings generated by the project. This may include revenue generated through rent, fees, charges, tolls etc over the project life cycle.

Guidelines for Risk Analysis

Risks that a project may face and which are beyond the scope of control of the project team are usually multiple. The types of risks that a project may carry vary from projects to projects. The project design team must analyse what could go wrong in order to create a list of risks. Some of the common risks, amongst others, are detailed as follows:

Type of risks	Description
1	Completion risk Risk that the project will not be completed on time or/and the project will not be able to pass the technical and demonstration tests.
2	Financial risk Budgetary constraints that can impair the firm's ability to finance the project. E.g. adverse changes in interest rate and currency exchange rate, loss of market share, unavailability of funds, economic crisis and unfavourable price movements.
3	Implementation Capacity Risk Whether Public Body has the necessary resources to implement the project within budget allocation and timeframe
4	Political risk Political instability and changes in local/regional/national political situation and regulations that can lead to the cancellation of the project or changes in the terms of the contract. E.g. changes in regulations/law/government policy, increase in taxes, change in government and international conflicts that may affect the cost/availability of supplies/availability of financing for a project.
5	Human risk Changing social relationships and forced cultural changes that cause losses. E.g. strikes, acts of vandalism, severe reduction of personnel and changes in organizational structure.
6	Operational risk The risk of losses as a result of errors or omissions, process and system failures, inadequate controls, human error, insufficient implementation capacity, and/or failures in underlying support systems. E.g. disruptions to supplies and operations, loss of access to essential assets.
7	Legal risk Potential losses due to uncertainty concerning potential legal proceedings and failure to comply with statutory/regulatory obligations.
8	Technological risk Disruptions and losses caused by new working methods, untested equipment and newly developed and unfamiliar technologies.

	Type of risks	Description
9	Natural risk	Losses due to the impact of weather conditions on the completion of the projects. E.g. torrential rain, windstorms, earthquakes, drought.
10	Geographical Risk	Increase in costs or damages due to land slide and/or other geographical features. State whether any geotechnical have been carried out and if no, state the reasons why.

Note: While assessing the risks associated to a project, not only the risk for Mauritius should be considered but due care should also be taken to assess the risks for donor country/countries for the project(s).

Once the risks have been identified and analyzed, the impact that their occurrence may have on the project should be assessed. For this, a scale should be used to assign a value to the risk, according to its probability of occurrence and the severity of the impact on the project. The scale to be used should be as follows.

Probability of occurrence (P)	Severity of impact (S)
1 = very low	1 = very low
2 = low	2 = low
3 = medium	3 = medium
4 = high	4 = high
5 = very high	5 = very high

By multiplying the values assigned to the probability of occurrence by the value assigned to the severity of the impact on project outcomes ($P \times S$), the value to be assigned to the risk is obtained. This value, which will be between 1 and 25, should be registered in the fourth column of the table as given in the next page.

Depending on the value obtained for each identified risk, the following actions are recommended.

- I. Risks with values of 1 or 2: These are minor risks that should be monitored, but do not require any specific action.
- II. Risks with values from 3 to 8: These are significant risks. It is appropriate to consider the possibility of controlling them with additional activities that materialize preventive measures, if economically feasible. Otherwise, occurrence should be carefully monitored.
- III. Risks with values from 9 to 12: These risks are important and it should be necessary to incorporate them into the project prevention measures and the associated variables should be carefully monitored.
- IV. Risks with values from 13 to 25: In this case, the risks are very serious (the probability of project failure is very high). The project should not be started without studying the possibility

of a redesign that avoids the risk, or measures are implemented that avoid or reduce the impact of the risk.

The table in the next page may be used for the above risk analysis.

Description of risk identified	Probability of occurrence (P) (1 to 5)	Severity of impact (S) (1 to 5)	Value= (P)*(S) (1 to 25)	Variables to be monitored and actions for controlling risk or mitigating impact
Completion risks				
Financial risk				
Political risk				
Human risk				
Operational risk				
Legal risk				
Technological risk				
Natural risk				
Geographical Risk				
Implementation Capacity Risk				

Guidelines for Expected Environmental Impacts

Note: Skip this section if an EIA is submitted for this project

Development is often associated with environmental impacts which may be very significant. It may be positive or negative, direct or indirect. The developer should take all necessary measures in his project design to mitigate the negative environmental impacts. The assessment should identify, quantify and evaluate the expected effects on the environment, both direct and indirect.

A project can produce impacts on air quality, water quality, soil quality, flora, fauna, biodiversity, noise level, landscaping, etc., both during the implementation and operational phase of the project.

During the analysis of the environmental impacts of the project, the tasks to be carried out are to:

- I. Identify the possible impacts of each phase of the project (site preparation and construction, and operation). The formulation team can do a brainstorming session to identify all the possible environmental impacts of each phase. A proper screening and scoping exercise should be undertaken to assess the environmental implications of the project on the subject site as well as on its surrounding environment. Another source for the identification of possible impacts is the study of the impacts created by similar projects in the country or abroad.
- II. Estimate the magnitude, duration and severity of the impact. Firstly, identify whether the expected impact is positive or negative, direct or indirect, and the likelihood of occurrence in general terms (certain, probable, unlikely, unknown). Estimate the magnitude of expected change in each variable, when it is expected to occur (immediately, short term, medium term, long term), and duration of impact (short term, medium term, long term or permanent). It may also be important to identify the relationships between impacts.
- III. Establish the importance of impact, which is not the same as its magnitude and duration, although it may be a combination of both. A major short-term and fully reversible environmental impact (for example, a very noisy construction for two months) will be of little importance. A permanent and irreversible impact, even if its magnitude is small, may be important (for example, habitat disturbance of an endemic species, especially if the habitat is small).
- IV. Identify actions to mitigate the relevant environmental impacts (or promote it if the impact is positive). If mitigation is not possible, identify compensatory actions for the negative impact. These actions may include:
 - Handling (preventive) actions that will reduce the impact.
 - Identify alternatives to reduce the impacts of the project, such as:
 - Changing the location of the project alternative.
 - Reducing the size of the project alternative (lower capacity).
 - Using a different technology or construction method.
 - Adoption of preventive measures during construction to reduce road congestion, dust, noise, or other impacts.

- Actions to mitigate impacts, such as:
 - Reduction of magnitude or duration of impacts, if possible.
 - Restoration of the environment after project construction.
 - Compensatory actions for negative impacts elsewhere.

Results of the analysis done by the project preparation team can be registered in the format provided below for the project implementation phase and operational phase.

DURING THE IMPLEMENTATION*/OPERATIONAL PHASE* (* Delete as appropriate)
On air quality:
On water (river, sea or underground):
On soils:
On flora:
On fauna:
Other impacts (e.g. on habitats)

Project Data Form (PDF)

Project title:	
Public Body responsible:	
National or sectoral objective/programme to which it relates:	
What is the current problem?	
Geographical location, District & Constituency No:	
Proposed implementation start year:	Estimated year of implementation conclusion:
Total estimated investment cost (M Rs):	Average annual estimated operation and maintenance cost (M Rs):
Brief project description and main components:	
How the Project will address the problem identified and/or will improve service delivery?	
Who will be the beneficiaries? Provide an estimated number.	
Name and position of Officer responsible of the information provided:	Signature:
Phone:	e-Mail:

INSTRUCTION FOR FILLING THE PDF

Project title: Title to be used to identify the project along its entire life cycle. It should not change when the project advances to subsequent phases. It is recommended that the project title has the following structure:

Action — Object — Location

Examples: “Rehabilitation of Sedimentation Unit at La Marie Water Treatment Plant”
 “Upgrading of Radier St Martin at Bel Ombre”

Public Body responsible: Indicate the institution (Ministry, Department, Parastatal or other) that is presenting the project and will be responsible for its implementation and operation.

National or sectoral objective/programme to which it relates: Indicate the objective(s), at national level or stated in a sector strategy to which the project is expected to contribute.

Example: The project “Rehabilitation of Sedimentation Unit at La Marie Water Treatment Plant” contributes to the objective “Guarantee the quality of drinking water”

Also, indicate the sectoral programme to which the project is related and required for achieving programme outputs.

Example: If one programme of the Ministry of Education is “Introduction of an Early Digital Learning Programme in primary schools”, an associated capital project could be “Acquisition of Tablets and supporting e-framework for all primary schools in Mauritius”.

What is the current problem?: Describe the current problems/issues which will be addressed by the project.

Geographical location: Indicate the district(s), city/town/village and Constituency No. where the project will be implemented.

Proposed implementation start year: Year in which project implementation is expected to commence.

Estimated year of implementation conclusion: Year in which project implementation is expected to be concluded.

Total estimated investment cost (Rs M): Indicate total cost estimated for preparing and implementing the project in millions of Mauritian Rupees. It should include the costs of required pre-investment and project preparation studies (pre-feasibility or feasibility, architecture and/or engineering designs, site studies, etc.), and all investment costs (land acquisition, equipment and furniture, infrastructure, consulting, etc.). A rough estimate is required, but if detailed cost estimates are available, they should be attached.

Average annual estimated operation and maintenance cost (Rs M): Indicate the estimated annual operational and maintenance costs in millions of Mauritian Rupees. Operational costs should include wages, services, utilities, supplies, and any other forecasted expenses. Maintenance costs should include all minor repairs required for maintaining proper operation and quality of service of the infrastructure or equipment. A rough estimate is required, but if detailed cost estimates are available, they should be attached.

Brief project description and main components: Describe the project, its purpose and contents, its justifications, its characteristics, services or outcome(s) that it will provide.

Also, describe the main components of the project such as construction works, acquisition and installation of machinery or equipment, etc. For some projects, implementation might be in different phases; a brief description should be given.

How the Project will address the problem identified and/or will improve service delivery?: Describe how the proposed project will solve the problem identified and/or will improve service delivery.

Who will be the beneficiaries? Provide an estimated number: State the stakeholders who will benefit if the proposed project is implemented.

Name and position of responsible of the information provided: Register the name and title of the public sector officer/professional responsible for advancing the project. Include his/her **Phone** number(s) and institutional or personal **e-mail**. Contact information has to be available in case MOFEPD needs clarifications or has to request additional data.

Signature: The form should always have a signature and stamp of the Public Body presenting the project. If not, the PDF will not be accepted by MOFEPD.

Guidelines for Preparing Terms of Reference for Feasibility Study

The guidelines below provide a general outline of the terms of reference for developing a pre-feasibility or feasibility study. This format is not exhaustive and may be customised as appropriate.

○ **General background**

Background information supporting the study should provide an overall view of the convenience and opportunity to execute it. It should include, if applicable, the following:

- An overview of the issues currently being encountered, describing the actual situation including their impact on the service delivery and the need for addressing the issues.
- Previous studies on the project; indicate names of the studies, the consultant(s) who executed them and the year(s) of execution. It is suggested to summarize such studies if necessary and submit the most recent.

○ **Scope of Works**

- Identification and definition of the problem, including causes and effects, and expected future evolution.
- General and specific objectives of the study.
- The technical, legal, economic, environmental and financial feasibility of the project.
- Study contents: This type of study should consider at least the following aspects:
 - ◆ Complete diagnosis of the current situation and sector needs analysis.
 - ◆ Specification of the variables to be analyzed.
 - ◆ Analysis of supply, current demand, future projection, and deficit (gap between demand and offer).
 - ◆ Analysis of optimal size, location and timing of the investment.
 - ◆ Analysis of alternative solutions, including optimization of the current situation.
 - ◆ Identification, measurement and valuation of costs and benefits of each project alternative.
 - ◆ Technical-economic evaluation of each project alternative.
 - ◆ Selection of the best alternative (in a pre-feasibility study). In the case of a feasibility study it should deepen the analysis of the alternative selected.
 - ◆ Explore the various financing options and propose the preferred mode of financing.
 - ◆ Summary and conclusions.
 - ◆ Activity schedule (Gantt chart)
 - ◆ Analysis of possible sources of financing
 - ◆ Expected results of the project, including indicators suggested for monitoring.
 - ◆ Environmental implications of the project.

○ **Duration**

- Expected start and completion date

○ **Cost**

- Estimated investment costs of the project that require the completion of a pre-feasibility or feasibility study.

○ **Work Plan**

- A project Logframe specifying the overall and step by step objectives of the project together with measurable indicators to assess the achievement of these objectives and the associated assumptions/risks.

Project Planning and Monitoring Unit (PPMU)

PPMU will be set up in the following Ministries/Departments:

- Ministry of Energy & Public Utilities;
- Ministry of Health & Quality of Life;
- Ministry of Education & Human Resources, Tertiary Education & Scientific Research;
- Ministry of Local Government & Outer Islands;
- Police Department; and
- National Development Unit.

Project Appraisal and Approval Process flowchart

